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# **Private Enterprise And Competitiveness Expansion (PEACE)**



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## A NEW MISSION STRATEGY

- USAID/Sri Lanka intends to support an integrated conflict response strategy to address the escalating conflict in Sri Lanka.
- A new, geographic focus.
- USAID recognizes that the solution to Sri Lanka's conflict lies clearly in the political realm, *but...*
- USAID also believes that economic growth programming can contribute to building social and economic security to help establish conditions conducive to a political solution.



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## **USAID'S DEVELOPMENT HYPOTHESIS & RESPONSE**

- Inequitable distribution of economic development benefits have helped fuel the current conflict.
- To address these disparities, help create space for a political solution, and position USAID assistance for greater impact if peace emerges...
- ...the PEACE project will seek to expand economic activity in and around the conflicted areas in Sri Lanka's North & East...
- ...and in conflict-strategic areas on the border of the conflict, such as Moneragala district (Uva Province) and North-Central Province.

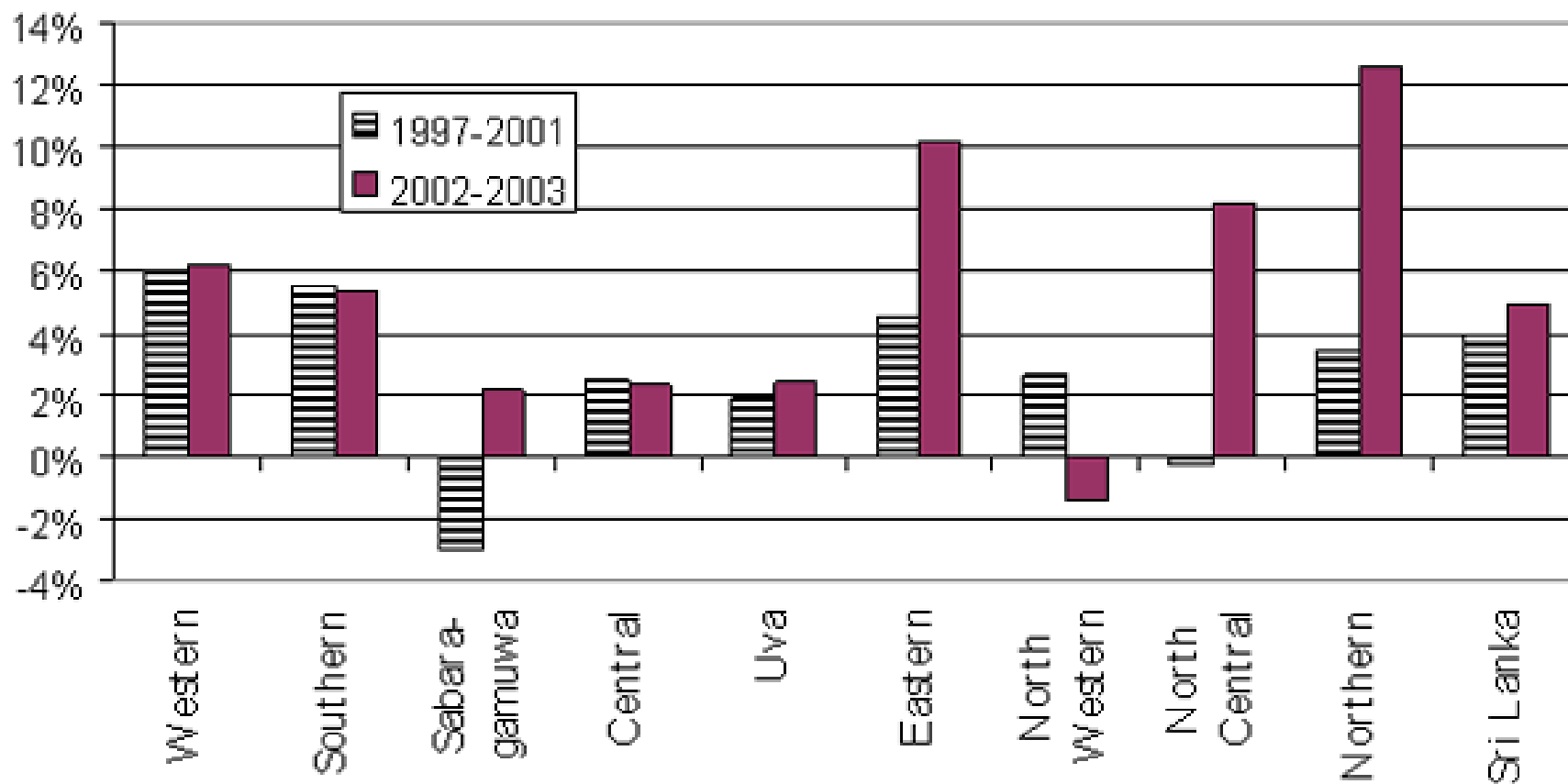


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## A PEACE DIVIDEND

**Figure 1: Average GDP growth rates for the Pre and Post-CFA Periods by Province**



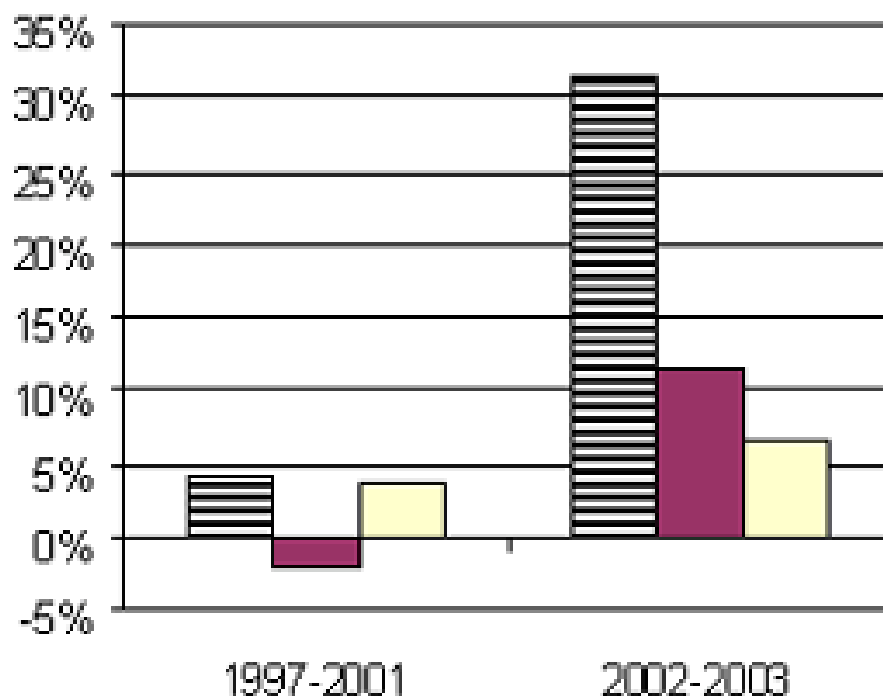


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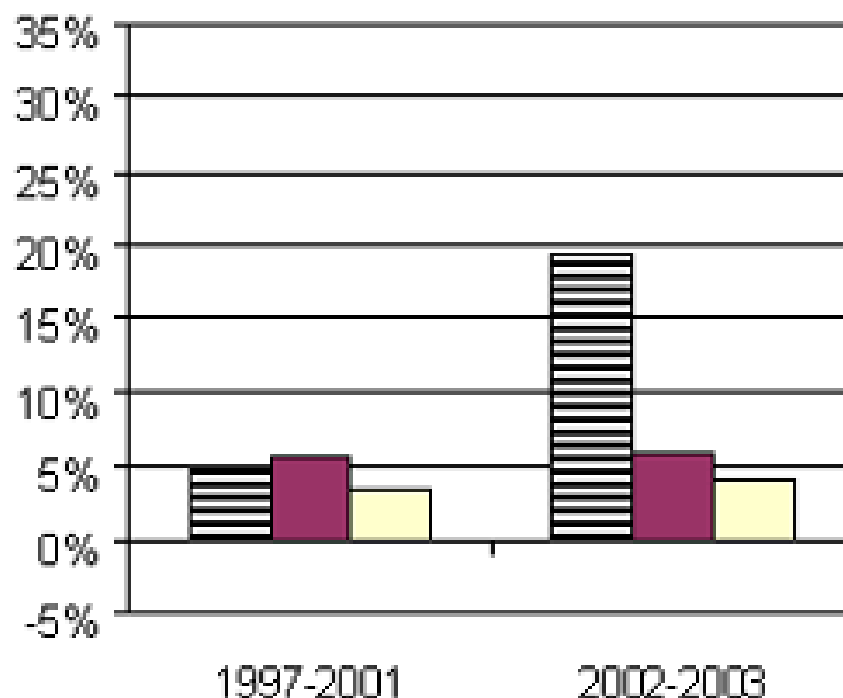
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## Average Pre and Post-CFA GDP Growth by Sector (Ag, Industry, Services)

**Northern Province**



**Eastern Province**





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## **LEARNING & LEVERAGING**

- Through PEACE, the Mission will build on earlier and ongoing economic growth programs such as:
  - AgEnt
  - TIPS
  - Sri Lankan Tsunami Reconstruction Program (SLTRP)
  - The Competitive Initiative and its successor TCP
  - ASAP, LMI, E-CBL
- PEACE can only be successful by working with other partners, including downstream buyers/exporters, chambers of commerce and other associations, clusters, and other donors.
  - The Mission will also pursue GDA partnerships to leverage additional resources.



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## **The Four (4) PEACE Components:**

- 1. VALUE CHAINS.** Improve the competitiveness of agricultural-based (and possibly other) value chains, which benefit large numbers of traditionally underserved populations in conflict-affected and –strategic areas and which link them to growth opportunities, including domestic and/or export markets.
- 2. BENEFICIARY STRENGTHENING.** Foster increased access to finance, business services, infrastructure, and ICT to populations in conflict-affected and –strategic areas.



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## PEACE Components (Continued)

- 3. WORKFORCE DEVELOPMENT.** Implement a workforce development program that develops the skills needed by youth and others at risk of becoming involved in conflict to participate effectively in selected value chains.
- 4. POLICY.** Foster an enabling environment that facilitates economic growth and reduces inequities and conflict. *Mahinda Chintana* is a solid starting point for policy dialogue.





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## **AN INTEGRATED PROGRAM**

- PEACE is one of two key components in USAID's strategy designed to respond to the conflict in Sri Lanka.
- The USAID strategy cannot be viewed through a narrow technical lens; at the community level, perceived economic, humanitarian and development needs can serve as a platform to promote co-existence and mitigate conflict.
- It is important that the SOWs for both programs be considered as part of one broad strategic approach.



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See:

[www.usaid.gov/in](http://www.usaid.gov/in) Working with Us

[www.worldbank.org/lk](http://www.worldbank.org/lk) for Poverty Assessment 2007

# QUESTIONS?